

### **304.17A-840 Suspension or revocation of certificate of filing.**

- (1) The executive director may suspend or revoke any certificate of filing issued to a self-insured employer-organized association group if the executive director finds that any of the following conditions exist:
  - (a) The self-insured employer-organized association group is operating significantly in contravention of its basic organizational document or in a manner contrary to that described in and reasonably inferred from any other information submitted under KRS 304-17A-800 to 304.17A-844, unless amendments to the submissions have been filed with and approved by the executive director;
  - (b) The self-insured employer-organized association group is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to participants or prospective participants;
  - (c) The self-insured employer-organized association group, or any person at its direction, has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive, or unfair manner;
  - (d) The self-insured employer-organized association group has engaged in any unfair or deceptive practices under its certificate of filing; or
  - (e) The self-insured employer-organized association group has failed to correct a violation of KRS 304-17A-800 to 304.17A-844 or the administrative regulations promulgated thereunder, within a reasonable time period established by the executive director in administrative regulations.
- (2) A certificate of filing shall be suspended or revoked only after compliance with the hearing procedure set forth in KRS 304.2-310 to 304.2-370.
- (3) When a certificate of filing of a self-insured employer-organized association group is suspended, the group shall not, during the period of suspension, enroll any new participants and shall not engage in any advertising or solicitation.
- (4) If the certificate of filing of a self-insured employer-organized association group is revoked, the group shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs and shall conduct no further business, except as may be essential to the orderly conclusion of the affairs of the organization. It shall engage in no further advertising or solicitation. The executive director may, by written order, prevent further operation of the group if he finds it to be in the best interest of the participants, to the end that the participants will be afforded the greatest practical opportunity to obtain health coverage elsewhere. If the executive director permits further operation, the self-insured employer-organized association group shall continue to collect the contributions required of participants.

**Effective:** June 24, 2003

**History:** Created 2003 Ky. Acts ch. 78, sec. 21, effective June 24, 2003.

**Legislative Research Commission Note** (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming

the reorganization of the executive branch. Such a correction has been made in this section.